

Politics and the Co-operative Movement

THE PRACTICE IN DENMARK

by

CLEMENS PEDERSEN

(formerly General Secretary, Central Co-operative
Committee of Denmark)

Traditionally, no doubt, there is a long way between the voluntary Co-operative movement in Denmark and the State. Not antagonism or dislike, just distance. Everybody of course has some citizen duties and some citizen rights. But outside of those rights and duties the Danish citizen likes to believe that he can do as he wants, alone or jointly with others.

One of the ways in which several Danes have chosen to do as they liked was the Co-operative way. The absolute monarchy was abolished (quite peacefully) 1849. The new constitution 1849 granted the citizens democracy and several specified rights, such as the right to associate for any lawful aim.

This is the tiny legal foundation for our Co-operative movement - the first consumer Co-operative in 1866, the first agricultural marketing Co-operative (a dairy) in 1882 and thousands of others. There was no other relevant legislation, rules about registration or audit and supervision. The usual feature about Denmark is that no other legislation on co-operatives was ever introduced. Denmark and Norway are the two countries of the world without a Co-operative law. The non-presence of such law did not, however, prevent quite successful growth of Co-operatives. Perhaps the contrary: co-operatives could develop voluntary, self-made, not designed according to law or rules but with by-laws, statutes or constitutions after their own members' thinking and liking and aims.

No Co-operative Law - and the Implications

This fact, that Denmark has no Co-operative law, is significant for understanding the relation between the Danish Co-operative movement and the State.

1. It indicates that the State (government, parliament, administration) has been reasonably satisfied with the behaviour of the Co-operatives, that the Co-operatives have not been misused against members, against third-parties or against the State, e.g. for tax evasion. Otherwise a Co-operative law had been a certainty - like the Joint Stock Companies' Act, which was introduced more than 60 years ago. (For the sake of equality of law and good order a Co-operative law was proposed at the same time. But the Co-operatives in 1911 called a big congress and protested; they would willingly accept a law to protect the Danish word for Co-operative and have Co-operatives registered. But they saw no reason for detailed rules to protect against misuse which did not in fact take place. And then the government and parliament dropped the idea of a co-operative law).
2. The Co-operatives naturally have had to obey general legislation like everybody else, as well as legislation for special types of trade and economy, banking, insurance, labour protection, shopping hours etc. And special taxation rules which aim neither to favour nor discriminate against Co-operatives as compared with joint stock companies and individual undertakings.
3. The Co-operatives in Denmark have themselves taken care of several tasks in which in other countries have been part of public administration - the individual societies being assisted by their national organisations, both in particular Co-operative sectors and for the movement as a whole. Among such tasks are:

- a) Developing satisfactory by-laws or statutes for the Co-operatives. Often standard by-laws have been worked out by central sectoral organisations for the primary societies to use or adapt. Such by-laws are currently revised to fit changing conditions.
- b) Organising satisfactory audit and control systems to protect members and third-parties against dishonesty and fraud, as well as against unqualified management.

Originally third-parties were generally protected by the members' unlimited, joint, personal liability for the obligations of the society. But at an early stage the central organisations undertook to assist the auditing of primary societies by training and advisory services. Today more and more societies have abolished the joint liability and have introduced some type of limited liability based on financial consolidation, good management and reliable audit.

- c) There has become established over the years a legal practice, or "case law" which in many respects make a Co-operative law more and more superfluous. Legal disputes may arise of course between Co-operatives and members, as between co-operatives and third-parties etc. The law courts recognise the Co-operatives as legal subjects without formalities.
- d) Organizing training and education for staff and members. Staff training (commercial, technical, vocational) takes place in close collaboration with the general, State-operated training system. This perhaps means that the specific Co-operative education is to a certain extent neglected.

- e) Working out statistics etc. about the Co-operatives and informing the general public as well as the political and administrative authorities about the Co-operative sector. A formal registration of all Co-operative societies has never taken place. However, the central organizations keep good check of the primary societies.

Political Activities of the Danish Co-operatives

Taking into consideration the particular legal framework mentioned above, the Danish Co-operatives naturally are vitally interested in the general political development which greatly influences the whole background for Co-operative activities: income level, income distribution, agriculture, industry, foreign trade, labour market relations etc. And the Co-operative organisations try through several channels to promote and protect their interests and to influence the political decisions.

1. Through Different Organisations

Different organizations are used for different purposes:

- a) The big Co-operative societies (some of them national and national Co-operative organisations are powerful and well enough recognized to go directly to any political institution or personality (individuals, parliamentary committees, parliament, government, ministries etc.) if that is considered best.
- b) For some purposes even the big Co-operative societies and organizations prefer to strengthen their approach by acting through joint organizations together with others. In specific Co-operative matters (e.g. Co-operative taxation, monopoly legislation, trade laws) they use the Central Co-operative Committee. In

general, for agricultural issues they use the Agricultural Council (of which the Central Co-operative Committee is a major and founding member).

c) The Danish Co-operatives are represented by three separate apex organisations which usually act separately:

- (i) The Central Co-operative Committee (mostly agriculture, but in principle all co-operatives).
- (ii) FDB, The Consumers' Co-operative Union.
- (iii) The Union of Urban or Labour Co-operatives.

In certain political matters two or three of those three organizations may act together, or they may act in accordance with an agreed and planned strategy.

By Different Methods

Selective use is made of different kinds of approach to various persons and institutions of political importance.

To trace the ways in which Co-operatives try to influence political decisions, general as well as specific, would be a difficult task. In many cases quite unofficial personal visits or talks are of tremendous importance. And it may not be known by any one else that either the Co-operative representative or the political representative (politician, civil servant, high or low) has intervened in such things.

In other cases the Co-operatives use "big guns", write letters, holding meetings, passing resolutions, sending

deputations to the minister concerned or the prime minister seeking press and TV support etc. Generally speaking, the agricultural Co-operatives are successful in such approach only when they collaborate with the Agricultural Council. The labour Co-operatives co-operate with the trade unions. And the consumer Co-operatives are most successful when they get general consumer interests into the picture.

Organised or registered "lobbying", as is known in some countries, does not exist in Denmark.

3. General Information Service

General information about Co-operatives is directed towards politicians, government and civil servants, as well as the general public.

The general impression is that knowledge about the Co-operative movement or Co-operative sector, its principles, practices, statistics etc. is very low and unsatisfactory. The organizations as well as the individual big societies once in a while try to do something about it by information campaigns, conferences, courses etc. But the impact so far has been low. Much of it is done together with general economic information, e.g. about agriculture or consumer questions; this, no doubt, means that the Co-operative image is not emphasized very much.

4. No "Co-operative Party"

A separate Co-operative party has hardly ever been seriously considered in Denmark. The process is Co-operative influence through the existing political parties, and through all of them (proportional representation in elections):

- a) By finding and supporting candidates who belong to or support the Co-operative movement.

- b) Requesting all candidates of all parties to declare their support for Co-operative activities if possible.

Co-operators in general feel or think that the political support for Co-operatives is relatively far too weak. Too few MPs are Co-operators, and too many are uninterested or against the Co-operative movement. However this is difficult to analyse.

Municipal Politics

In this field an increasing need for planned Co-operative representation is felt, particularly since a municipal reform 1970. So far, however, very little seems to have been done.

Including Observation

Once an Englishman tried to explain why even relatively intelligent Danes did not always quite see the point in many discussions on "public and private tasks" or "the relations between State and citizens" or "the right borderlines between voluntary organisations and public activities" whether in the area of private and public education or of Co-operatives and political activities. He said, that most likely the reason why Danes do not distinguish so clearly between public organisations and private organizations is that they largely consider the State as a voluntary organization - and treat it accordingly.

Maybe State and authorities are useful things, just as, for example, are Co-operatives and matches - when you use them and control them in the right way.